

CHAPTER NO. 827

SENATE BILL NO. 3256

By Clabough

Substituted for: House Bill No. 3301

By Kisber, Boyer, Davidson, Rinks, McDaniel

AN ACT To enact the "Essential Government Services Act of 2002" and to amend or repeal various provisions of Tennessee Code Annotated necessary to effectuate its purposes. This act makes appropriations for the purposes of funding state government for the fiscal years beginning July 1, 2001 and July 1, 2002.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act is, and may be cited as, the "Essential Government Services Act of 2002".

SECTION 2. (a) There is appropriated a sum sufficient to:

(1) Fulfill any constitutional obligation of the state to expend funds for a particular purpose;

(2) Fulfill the provisions of Article I, Section 35, relative to the rights of victims of crimes;

(3) Fulfill any debt service obligation of the state, its agencies, authorities or instrumentalities;

(4) Fulfill the terms of any contractual obligation entered into prior to July 1, 2002, if the performance of such contract is necessary to perform an essential function of state government funded pursuant to the provisions of this act; it is the legislative intent not to fund any contracts the performance of which is not necessary to perform an essential function of the state funded pursuant to the provisions of this act;

(5) Fulfill obligations of the state to conduct elections and proclaim the results of such elections;

(6) Fulfill the terms of any court order or any lawful settlement agreement or consent decree approved by the court having jurisdiction of the action in which the state is a party and has agreed to expend funds as a part of the court order, settlement agreement, or consent decree;

(7) Operate the state parks.

(b) There is appropriated:

(1) All institutional revenues of any kind collected by the institutions of higher education in the course of their operations for their own use;

(2) All federal funds made available to the various branches of government to the departments, agencies and entities receiving such funds; provided, however, that such federal funds shall not be expended or obligated unless such funds must be expended or obligated to perform an essential function of the state pursuant to the provisions of this act;

(3) All child support payments to the Department of Human Services;

(4) All federal funds and premiums received pursuant to Title 50, Chapter 7 to the Department of Labor and Workforce Development; and

(5) All funds necessary to perform the operations of the Department of Financial Institutions.

(c) Any other extraordinary payments made to the state shall be placed in a reserve in the state general fund until appropriated by the General Assembly.

(d) In enacting this section, it is the intent of the General Assembly to grant provisional authority to meet state obligations.

SECTION 3. There is appropriated a sum sufficient to fund the following essential functions of the state from and after July 1, 2002:

(a) The Department of Correction to provide for the custody, well-being and safety of persons committed to it and the safety, health and well-being of the citizens of the state.

(b) The Department of Children's Services to provide for the custody, well-being and safety of persons committed to it, the safety, health and well-being of the citizens of the state and to investigate allegations of child abuse and neglect and take appropriate actions to provide for the welfare of abused or neglected children.

(c) The Department of Finance and Administration to provide:

(1) For the well-being and safety of persons receiving care in the mental retardation programs and state custody;

(2) For the operation and payment of obligations of the TennCare Program;

(3) For the operation of hospitals or nursing facilities owned or managed by the state or its agencies;

(4) For such functions as are necessary to account for state funds;

(5) For the payment of obligations accrued to state employees prior to July 1, 2002;

(6) For the payment of expenditures made pursuant to the provisions of this act;

(7) For payment of compensation of employees necessary to implement the provisions of this act;

(8) For payment of expenses to draw down federal funds, to continue programs funded in whole or in part with federal funds, to comply with federal law or the terms of any grant and to avoid any loss of eligibility for or withholding of federal funds;

(9) For payment of expenses of securing and maintaining real and personal property owned or managed by the state;

(10) For payment of expenses for the continuation of health and life insurance for state employees, higher education employees, teachers, and covered local employees, and to such end, the state may advance payments of premiums on the behalf of employees and be reimbursed for such payments after adoption of the General Appropriations Act for the fiscal year beginning July 1, 2002;

(11) For payment of law enforcement functions of the state;

(12) For payment of expenses for operation of programs to deliver child support payments;

(13) For payment of expenses of guardians provided by the state;

(14) For payment of expenses of regulatory actions to protect the health, safety and welfare of the citizens of this state;

(15) For payment of the cost of utilities necessary to maintain property owned or managed by the state;

(16) For payment of expenses to care for animals owned or in state custody;

(17) For the continuation of existing research projects to the extent necessary to prevent unreasonable waste or destruction;

(18) For payment of expenses of the National Guard, the Tennessee Emergency Management Agency and other state entities if the Governor determines that their services are necessary to protect the health, safety and welfare of the citizens of this state or to respond to fires, other natural disasters or terrorist acts;

(19) For operation and maintenance of mail delivery and computer systems necessary to implement the provisions of this act.

(d) The Judicial Department, the Attorney General and Reporter, the district attorneys general, and the public defenders to the extent judges, officials and staff are

necessary to maintain the constitutionally and statutorily required functions of such offices and the judicial system in order to protect the health, safety and welfare of the citizens of this state.

(e) The Department of Mental Health and Developmental Disabilities to provide for the custody, well-being and safety of persons committed to it.

(f) The Department of Human Services to the extent its commissioner deems necessary to provide family assistance services, including the Families First and Food Stamp Programs.

(g) The Department of Revenue to collect and deposit taxes and fees paid to the state.

(h) The Board of Probation and Parole to provide for the custody, well-being and safety of persons committed to it and the safety, health and well-being of the citizens of the state.

(i) The State Treasurer to process and pay the obligations of the State of Tennessee, including workers' compensation benefits, to invest and manage funds pursuant to law, to pay the lawful claims against the state incurred pursuant to the provisions of this act, to process and pay benefits to retired employees from reserves and accounts earmarked for such purposes and to fulfill constitutionally mandated functions.

(j) The Comptroller of the Treasury to pay or cause to be paid timely principal and interest on obligations of the state and any agency, authority, and instrumentality thereof including the Tennessee Housing Development Agency, and to fulfill or comply with any legal requirements relating thereto.

(k) The Department of Labor and Workforce Development to pay unemployment benefits.

(l) The Secretary of State to perform constitutionally mandated functions.

(m) The General Assembly to enable it to perform its legislative responsibilities.

(n) The Tennessee Housing Development Agency to the extent its executive director deems necessary to provide rental assistance services through the Section 8 Program and to execute the mortgage revenue bond program.

(o) Such other emergency or essential functions of the state necessary to protect the health, safety and welfare of the citizens of this state, as the Governor may from time to time determine, such determination to be reported promptly to the Speaker of each house of the General Assembly.

SECTION 4. The provisions of Tennessee Code Annotated, Section 9-8-307, and Tennessee Code Annotated, Title 8, Chapter 42 shall be fully applicable with regard to any person who was a state employee as defined in Tennessee Code Annotated, Section 8-42-101(3), as of June 30, 2002, and continues to perform the duties of his or her job as a state employee thereafter, regardless of whether or not such employee is receiving compensation

pursuant to the provisions of this act. Any person who was a state employee as of June 30, 2002, shall be construed to be a state employee for purposes of being covered by health and life insurance and workers' compensation, regardless of whether or not such employee is receiving compensation pursuant to the provisions of this act. The provisions of this section shall not apply to employees who retire effective June 30, 2002.

SECTION 5. Notwithstanding any provision of law to the contrary, any statutory duty which is required to be performed by the state or its instrumentalities is suspended unless funded pursuant to the provisions of this act. Such suspension shall remain in effect until an appropriations act to fund state government for fiscal year 2002-2003 becomes law.

SECTION 6. (a) Except where sovereign immunity has been or shall hereafter be expressly waived by the General Assembly, all appropriations of state revenues and departmental revenues made pursuant to the provisions of this act and in prior acts to the state, its departments, agencies, boards, educational institutions, instrumentalities, and incorporated entities performing the state's governmental functions shall be state funds and shall be protected by the state's sovereign immunity from every court's judgment, decree, attachment, or other legal process; provided, however, that any statutory or other provision authorizing an agency, board, or entity to sue and be sued shall not constitute a waiver of sovereign immunity.

(b) Except where sovereign immunity has been or shall hereafter be expressly waived by the General Assembly, all appropriations of state funds and institutional revenues made in this act and prior acts to institutions of higher education shall be state funds and shall be protected by the state's sovereign immunity from any court's judgment, decree, attachment, or other legal process, provided that any statutory or other provision authorizing any entity to sue and be sued shall not constitute a waiver of sovereign immunity.

SECTION 7. The Commissioner of Finance and Administration shall notify the State Treasurer of any expenditures made pursuant to the provisions of this act and that such expenditures comply with the act's provisions.

SECTION 8. If any provisions of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the provisions of this act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 9. It is the legislative intent to fulfill the essential function and constitutional responsibility of state government to orderly close fiscal year 2001-2002. Under the provisions of Senate Bill No. 3135/House Bill No. 3116 the Commissioner of Finance and Administration is authorized to deny carryforwards for, and to transfer funds from, the following enumerated funds, reserve accounts or programs to the state general fund for the sole purpose of meeting the requirements of funding the operations of state government for the fiscal year ending June 30, 2002, according to the following schedule:

(1) From the Department of Transportation funds in the highway fund, or other funds, the sum of \$30,000,000; shall be transferred.

(2) The actual reserve balances at June 30, 2002, shall be transferred to the general fund from the Tennessee Housing Development Authority assets

fund, criminal injuries compensation fund, temporary assistance for needy families (Families First) program, local parks land acquisition fund, state lands acquisition fund, agricultural resources conservation fund, Department of Safety driver education fund, and wetlands acquisition fund.

(3) From the other funds, reserve accounts and programs enumerated in Senate Bill No. 3135/House Bill No. 3116 the amount transferred to the general fund shall be equivalent to thirty percent (30%) of the remaining need to meet the requirements of funding the operations of state government for the fiscal year ending June 30, 2002.

SECTION 10. To the extent that carryforwards in reserve accounts and programs are denied for certain funds enumerated in Senate Bill No. 3135/House Bill No. 3116 and are transferred to the general fund for the purpose of meeting the requirements of funding state government operations for the fiscal year ending June 30, 2002, it is the legislative intent that such funds be restored to those reserve accounts and programs in the fiscal year ending June 30, 2003, and that transfers from the general fund be made for that purpose in proportion to the relative carryforward amounts denied and transferred to the general fund at June 30, 2002, subject to the following conditions at June 30, 2003:

(1) The Commissioner of Finance and Administration shall present a schedule identifying restoration amounts by reserve account or program to the Comptroller of the Treasury for comment and shall transmit the schedule to the Senate and House Finance, Ways and Means Committees, along with the Comptroller's written comments;

(2) The Commissioner of Finance and Administration determines that normal operations of each program affected will be impaired in the future if such funds are not restored at June 30, 2003;

(3) Other requirements of general fund closing at June 30, 2003, pursuant to the 2002 and the 2003 appropriations acts and other law are satisfied;

(4) The reserve for revenue fluctuation at June 30, 2003, is established in an amount not less than \$178,000,000 or the amount specified in the 2003 General Appropriations Act, whichever is greater;

(5) The overappropriation recognized in the 2003 appropriations act for the fiscal years ending June 30, 2003, and June 30, 2004, is not greater than \$80,000,000 in each year;

(6) The 2003 appropriations act authorizes or directs the Commissioner of Finance and Administration to make such transfers from the general fund to certain reserve accounts or programs at June 30, 2003;

(7) The cumulative amounts restored to each reserve account or program in future years shall not exceed the amount transferred to the general fund from each reserve account or program at June 30, 2002.

SECTION 11. The unexpended appropriations made to the Department of Economic and Community Development (ECD) for the purpose of making grants and loans to local

governments and businesses for job creation and/or retention are subject to reversion to the general fund balance at June 30, 2002. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward any unexpended balance or transfer any part of the unexpended balance to the Revenue Fluctuation Reserve at June 30, 2002. The Commissioner shall report to the Chairmen of the Finance, Ways and Means Committees of the Senate and House of Representatives the disposition of the unexpended appropriations.

SECTION 12. From the appropriations made in Chapter 435, Public Acts of 2001, the Commissioner of Finance and Administration is authorized to make transfers from the appropriations made:

Item 1. To the District Attorneys General in Section 1, Title III-1-2.

Item 2. To the Department of Finance and Administration in Section 1, Title III-2-3, and to adjust federal aid and other departmental revenue accordingly.

Item 3. To the Department of Agriculture in Section 1, Title III-3, and to adjust federal aid and other departmental revenue accordingly.

Item 4. To the Department of Environment and Conservation in Section 1, Title III-5, and to adjust federal aid and other departmental revenue accordingly.

Item 5. To the Department of Economic and Community Development in Section 1, Title III-8.

Item 6. To the Department of Education in Section 1, Title III-9, and to adjust federal aid and other departmental revenue accordingly.

Item 7. To the Department of Safety in Section 1, Title III-20, and to adjust federal aid and other departmental revenue accordingly.

SECTION 13. Subject to the availability of funding at June 30, 2002, any unexpended balances of appropriations made under Chapter 435, Public Acts of 2001, other acts of this General Assembly or acts by previous General Assemblies, listed in this section are hereby reappropriated to be expended in the 2002-2003 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2002. The reappropriation and carry forward of these funds is subject to approval by the Commissioner of Finance and Administration. Unless otherwise noted, the unexpended balances reappropriated are authorized under Chapter 435, Public Acts of 2001, and they are the appropriations made:

Item 1. For data processing services, systems development, data processing equipment purchases and leases and telephone systems purchases and leases. The Commissioner of Finance and Administration is authorized to transfer from the amounts carried forward sums sufficient for the computer equipment replacement fund and to the systems development fund.

Item 2. Notwithstanding any provision of law to the contrary, all funds appropriated to the Legislative Branch which remain unobligated and unexpended at the end of any fiscal year, shall not revert to the general fund but shall be carried forward in a reserve to be expended in accordance with the approval of the Speaker of the House

of Representatives and the Speaker of the Senate. This item shall not be subject to the approval of the Commissioner of Finance and Administration.

Item 3. To the Judicial Branch in Section 1, Title II, but excluding the appropriations for Indigent Defendants' Counsel, Civil Legal Representation, and Verbatim Transcripts. If the fees collected by the Board of Law Examiners are less than the appropriation(s) to the Board, the carry forward amount shall be the difference between fees collected and expenditures. The reappropriated funds shall be expended for the study and implementation of an integrated computer system for the Tennessee court system under the provisions of Chapter 1005, Public Acts of 1994. This item shall not be subject to the approval of the Commissioner of Finance and Administration.

Line Item Veto

~~Item 4. To the Secretary of State for publication of the Blue Book under Section 36, Item 4.~~

Item 5. To the Department of State, Regional Libraries, in Section 36, Item 5.

Item 6. To the Department of Finance and Administration in Section 36, Item 6 to fund the Safe Neighborhoods Act of 1998.

Item 7. To the Department of Personnel in Section 36, Item 7 for a classification-compensation study.

Item 8. To the Department of Agriculture the unexpended balance of revenues from timber salvage sales at state forests and state parks.

Item 9. To the Department of Environment and Conservation, Land Reclamation, in Section 1, Title III-5, Item 18.

Item 10. To the Tennessee Historical Commission in Section 1, Title III-5, for the Tennessee Wars Commission.

Item 11. To the Tennessee Historical Commission the unexpended funds from any prior appropriations for publications, historical markers and other historical activities.

Item 12. To the Department of Education for the Basic Education Program and withheld from local education agencies in the fiscal year ending June 30, 2002, for non-compliance with the Education Improvement Act.

Item 13. To the Department of Education for the purpose of implementing Chapter No. 554 of the Public Acts of 2000, regarding the coordinated school health program.

Item 14. All funds received by the Department of Education in support of the Tennessee Education Technology Conference and which remain unobligated and unexpended at the end of any fiscal year shall not revert to the general fund but shall be carried forward in a reserve to be expended for the purposes of such program.

Item 15. All funds from private foundations received by the Department of Education in support of the Marco Polo initiative and which remain unobligated and

unexpended at the end of any fiscal year shall not revert to the education fund but shall be carried forward in a reserve to be expended for the purposes of such program.

Item 16. All funds appropriated to the Department of Education for the purposes of the state testing programs which remain unobligated and unexpended at the end of any fiscal year shall not revert to the general fund but shall be carried forward in a reserve to be expended for the purposes of such programs.

Item 17. To the Tennessee Higher Education Commission in Section 1, Title III-10 for desegregation activities and community service grant funds.

Item 18. To the Department of Commerce and Insurance in Section 36, Item 15. The funds carried forward shall be used to equip the new Fire and Codes Academy.

Item 19. To the Department of Mental Health and Developmental Disabilities in Section 1, Title III-14 for housing initiatives for the seriously and persistently mentally ill.

Item 20. To the Department of Safety in Section 1, Title III-20, for the production of license plates for the year 2000 license plate.

Item 21. For services to children for whose education the state is directly responsible and the funds were paid to the Department of Children's Services under the provisions of Tennessee Code Annotated, Section 49-3-363.

Item 22. To the Department of Children's Services in Section 1, Title III-22. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward funds to provide for office relocation costs and the loss of federal SSBG funds in the fiscal year 2002-2003.

Item 23. To the Department of Children's Services in Section 1, Title III-22, Item 4, Adoption Services, for any grant agreement/contract approved by the Commissioner of Finance and Administration for the purpose of adoption placement and finalization for youth with special needs.

Item 24. To the Department of Transportation in Section 1, Title III-28, Item 2, for equipment purchases.

Item 25. To the Department of Transportation for any appropriations which are reserved at June 30, 2002.

SECTION 14. Subject to the availability of revenue at June 30, 2002, any unexpended balances of appropriations made under Chapter 435, Public Acts of 2001, other acts of this General Assembly or acts by previous General Assemblies for benefit of an agency of local government or a third-party nonprofit organization for which there is a grant agreement/contract approved by the Commissioner of Finance and Administration are hereby reappropriated to be expended in the 2002-2003 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2002. The Commissioner of Finance and Administration shall provide a list of any unexpended balances carried forward to the Director of Accounts and to the Division of State Audit. The reappropriation and carry forward of these funds is subject to approval by the Commissioner of Finance and Administration.

SECTION 15. There is hereby appropriated the following amounts which shall be in addition to the appropriations provided under Chapter 435, Public Acts of 2001:

Department of General Services	
1. Division of Printing	\$ 200,000.00
2. Division of Property Utilization – Surplus Property	300,000.00
Total General Services	\$ 500,000.00
Department of Environment and Conservation	
1. State Parks	\$ 1,240,000.00
Department of Education	
1. Comprehensive School Health Program	\$ 602,600.00
Department of Finance and Administration – Mental Retardation	
1. Middle Tennessee Region	\$ 643,500.00
2. East Tennessee Region	236,500.00
Total Finance and Administration – Mental Retardation	\$ 880,000.00
Miscellaneous Appropriations	
1. State Employees Group Health Insurance	\$23,800,000.00
2. Retired Teachers Insurance	1,800,000.00
3. State Agencies Rent	1,403,200.00
Total Miscellaneous Appropriations	\$27,003,200.00
TOTAL	\$30,225,800.00

The Commissioner of Finance and Administration is authorized to allot and transfer these appropriations to the appropriate expenditure account within each department, agency or branch of government and to adjust authorized positions accordingly. The Commissioner of Finance and Administration is further authorized to adjust federal aid and departmental revenues accordingly.

SECTION 16. In addition to the appropriation made in Section 1, Title III-28, Item 3 for Highway Maintenance, and Item 5.5 for State Highway Construction in Chapter 435, Public Acts of 2001, there is further appropriated such amount as the Commissioner of Finance and Administration shall determine is available from tax revenues allocated to the highway fund and from the highway fund balance.

SECTION 17. In the fiscal year ending June 30, 2002, the carry forward and reappropriation of unexpended appropriations for major maintenance, authorized in Section 2, Item 1 of Chapter 435, Public Acts of 2001, shall be subject to approval by the Commissioner of Finance and Administration based upon the availability of revenues and reserves in the general fund at June 30, 2002.

SECTION 18. The unexpended balance of the appropriation made in Section 1, Title III-21, Item 2 of Chapter 435, Public Acts of 2001, is hereby reappropriated to provide for back-pay awards to state employees.

SECTION 19. From the handgun carry permit fees paid under the provisions of Tennessee Code Annotated, Section 39-17-1351 and the provisions of Chapter 476, Public Acts of 1997, any unexpended permit fees at June 30, 2002, are hereby reappropriated to be expended in the 2002-2003 fiscal year and shall be carried forward in a reserve into the fiscal year beginning July 1, 2002.

SECTION 20. From the privilege tax on litigation apportioned for fingerprint imaging systems grants under the provisions of Tennessee Code Annotated, Section 67-4-602, any unexpended funds so apportioned shall not revert to the general fund at June 30, 2002, but shall be carried forward in a reserve to be expended for such grants in the succeeding fiscal years. Such funds are hereby reappropriated for that purpose.

SECTION 21. In the fiscal years ending June 30, 2002, and June 30, 2003, there are hereby appropriated sums sufficient to the Office of the Post-Conviction Defender to offset any undercollection of departmental revenues appropriated in Section 4, Title III-1, Item 6 of this act. This appropriation shall be non-recurring.

SECTION 22. In the fiscal years ending June 30, 2002, and June 30, 2003, there are hereby appropriated sums sufficient to the Department of General Services, Property Utilization from revenues and reserves available to the division.

SECTION 23. The appropriation made in Section 12, Item 1062 of the 1998 Appropriations Act to the Tennessee Technological University Agricultural Foundation is hereby reappropriated to the Foundation to acquire equipment and to enhance the Hyder Burkes Agricultural Pavilion.

SECTION 24.

Item 1. It is the legislative intent to recognize a base over-appropriation in the general fund of \$100,750,000 in 2001-2002 and \$80,000,000 in 2002-2003.

Item 2. In the fiscal year ending June 30, 2002, there shall be reserved or designated a sum in the general fund balance to provide for non-recurring appropriations and other appropriations intended to be funded in the 2002-2003 fiscal year from the general fund balance at June 30, 2002. The Commissioner of Finance and Administration shall determine the amount to be reserved or designated.

Item 3. Under the provisions of Tennessee Code Annotated, Section 55-6-107(a), the sum of \$2,900,000 shall be allocated to the general fund for the cost of issuing motor vehicle registration plates in the fiscal year ending June 30, 2003.

Item 4. Unexpended appropriations in an amount not to exceed \$45,000,000 shall be transferred from the debt service fund to the general fund in the fiscal year ending June 30, 2002.

Item 5. In the fiscal year ending June 30, 2002, tax revenues allocated to the debt service fund, including motor vehicle title fees, in excess of \$236,000,000 shall be transferred to the general fund. If said allocation to the debt service fund is less than \$236,000,000, then the allocation of excise tax revenues to the debt service fund shall be increased in an amount to provide the allocation of \$236,000,000 to the debt service fund.

Item 6. In the fiscal year ending June 30, 2002, the allocation of motor vehicle title fees to the debt service fund shall be the lesser of \$2,700,000 or the sum generated by the \$1.50 fee under the provisions of Tennessee Code Annotated, Section 55-6-101(a)(1).

Item 7. From the appropriations made in Section 1, Title III-10 of the 2001 Appropriations Act to the University of Tennessee and to the Tennessee Board of Regents the sum of \$9,700,000 shall revert to the general fund balance at June 30, 2002. From the other appropriations made to higher education, excluding Tennessee Student Assistance Awards, the sum of \$1,500,000 shall revert to the general fund balance at June 30, 2002.

Item 8. The provisions of Section 29, Item 16 of the 2001 Appropriations Act (Public Chapter 435) are hereby repealed. It is the legislative intent that the unexpended balance of the appropriation made for Tennessee Student Assistance Awards revert to the general fund balance at June 30, 2002.

Item 9. From the appropriation made in Section 1, Title III-2 of the 2001 Appropriations Act to the Department of General Services, Motor Vehicle Management, the sum of \$2,750,000 shall revert to the general fund balance at June 30, 2002.

Item 10. In the fiscal year ending June 30, 2002, it is the legislative intent that the sum to be credited to the Health Access Incentive Account under the provisions of Tennessee Code Annotated, Section 66-29-121 be reduced from \$2,000,000 to a sum sufficient to provide for expenditures and liabilities less the sum of \$761,850.56. It is the legislative intent that the reserve balance in the Health Access Incentive Account at June 30, 2001, be used to fund the program in the fiscal year ending June 30, 2002.

SECTION 25. Subject to the availability of funding at June 30, 2002, the Commissioner of Finance and Administration is authorized to carry forward into the fiscal year beginning July 1, 2002, any unexpended balances of appropriations made under Chapter 435, Public Acts of 2001, for TennCare and such funds as are carried forward are hereby reappropriated to be expended in the 2002-2003 fiscal year.

SECTION 26.

Item 1. The unexpended balance of the capital outlay appropriation made to Austin Peay State University for tornado damage in the 1999 Appropriations Act, Section 55, Item 3, shall be transferred to the general fund in the fiscal year ending June 30, 2002.

Item 2. In addition to the appropriation made in the 2001 Appropriations Act, Section 1, Title 11 for Indigent Defendants' Counsel, there is hereby appropriated a sum not to exceed \$2,000,000 in the fiscal year ending June 30, 2002.

Item 3. Any unexpended balances of the appropriations made in Chapter 587, Public Acts of 2002, for homeland security purposes are hereby reappropriated to be expended in the 2002-2003 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2002.

Item 4. From the appropriations made in the 2001 Appropriations Act that were reallocated for one-time costs associated with homeland security purposes in the Departments of Agriculture, Safety, and Commerce and Insurance, the Commissioner of Finance and Administration is authorized to carry forward in a reserve into the fiscal year beginning July 1, 2002 appropriation amounts not to exceed:

Agriculture	\$155,000
Safety	\$600,000
Commerce and Insurance	\$ 49,000


Item 5. From the appropriations made for Disaster Relief Grants in the 2001 Appropriations Act, Section 1, Title III-21, Item 7 and in this act in Section 1, Title III-21, Item 7, the Commissioner of Finance and Administration is authorized to allocate funds to provide for National Guard costs associated with homeland security purposes.

SECTION 27. The reserve for federal contingent liability in the general fund shall be reduced from \$100,000,000 to \$50,000,000 to meet the requirements of funding the operations of state government for the fiscal year ending June 30, 2002.

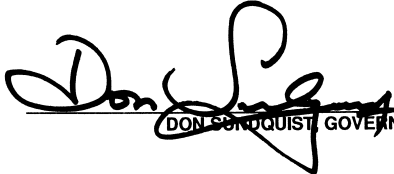
SECTION 28. The provisions of Sections 1-8 of this act shall take effect on July 1, 2002, the public welfare requiring it. The provisions of Sections 2-7 shall be repealed on July 6, 2002, the public welfare requiring it. The provisions of Sections 9-28 of this act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: June 30, 2002


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 30th day of June 2002


DON SUNDQUIST, GOVERNOR